



Department of Justice

FOR IMMEDIATE RELEASE
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TENNESSEE DAIRY CHARGED WITH RIGGING BIDS
TO SUPPLY MILK TO PUBLIC SCHOOLS

WASHINGTON, D.C. -- The Department of Justice today filed charges against Weigel Inc., doing business as Broadacre Dairies, of Powell, Tennessee, for participating in a conspiracy to rig bids on contracts to supply milk to public school boards within the Knoxville, Tennessee area.

The case was filed in the United States District Court in Knoxville. It is the second case brought by the Antitrust Division involving the sale of milk in Tennessee and the 127th in the United States.

Broadacre Dairies was charged with participating in a combination and conspiracy dating back to early 1983 and continuing at least through August 1990. In its filing, the Department charged a conspiracy to:

- * allocate certain contracts to the defendant and co-conspirators
- * refrain from submitting bids

(MORE)

- * submit collusive, noncompetitive and rigged bids
- * supply milk at artificial and noncompetitive prices

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charge arose in connection with a grand jury investigation in Knoxville into collusive practices by dairy products suppliers in Tennessee. The investigation was conducted by the Division's Atlanta Field Office.

The maximum penalty which may be imposed against a corporation convicted of a violation of the Sherman Act occurring prior to November 16, 1990, is a fine not to exceed the greatest of: \$1 million, twice the gross pecuniary gain the corporation derived from the crime, or twice the gross pecuniary loss caused to the victims of the crime.

To date, Antitrust Division milk cases have resulted in the conviction of 63 corporations and 59 individuals. A total of \$59 million in fines have been imposed. Grand juries in twelve states continue to investigate the milk industry.

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